

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

United States of America,

Civil Case No:

Plaintiff,

vs.

Honorable

One (1) Mont Blanc Limited Edition
America's Signature for Freedom,
Abraham Lincoln Themed Pen,
Serial Number 11,

Defendant *in rem*.

Complaint For Forfeiture

Plaintiff, the United States of America, by and through Matthew Schneider,
United States Attorney, and Adriana Dydell, Assistant United States Attorney,
state the following in support of this Complaint for Forfeiture:

1. This is an *in rem* civil forfeiture action under Title 18, United States Code, Sections 981(a)(1)(A), 981(a)(1)(C).
2. This Court has original jurisdiction over this forfeiture action under Title 28, United States Code, Section 1345 because this action is being commenced by the United States of America as Plaintiff.
3. This Court has jurisdiction over this forfeiture action under Title 28, United States Code, Sections 1355(b)(1)(A) and (B), because the acts giving rise to

forfeiture occurred in the Eastern District of Michigan and because the property was found in the Eastern District of Michigan.

4. Venue is proper before this Court under Title 28, United States Code, Section 1391(b)(2) because a substantial part of the events or omissions giving rise to Plaintiff's claims occurred in the Eastern District of Michigan.

5. Venue is also proper before this Court under Title 28, United States Code, Section 1395(a) and (b) because the action accrued and/or because the Defendant *in rem* was found and seized in the Eastern District of Michigan.

Defendant In Rem

6. The Defendant *in rem* consists of the following: One (1) Mont Blanc Limited Edition America's Signature for Freedom, Abraham Lincoln Themed Pen, Serial Number 11 (also described as, the "Defendant Property").

7. Agents of the Federal Bureau of Investigation ("FBI") seized the Defendant Property on or around August 23, 2017, under a federal seizure warrant. FBI currently has custody of the Defendant Property.

Possible Companion Case

8. There is a possible companion criminal case pending in the Eastern District of Michigan: *United States v. Jerome Durden, et al.* (Case No. 17-cr-20406, Hon. Paul D. Borman, presiding).

Violation Statutes

9. Title 18, United States Code, Section 1341 makes it a federal offense for anyone, having devised any scheme or artifice to defraud, to place in any post office or authorized depository for mail or cause to be delivered by mail in interstate or foreign commerce any matter for the purpose of executing such scheme or artifice.

10. Title 18, United States Code, Section 1343 makes it a federal offense for anyone, having devised any scheme or artifice to defraud, to transmit or cause to be transmitted in interstate or foreign commerce a wire communication for the purpose of executing such scheme or artifice.

11. Title 18, United States Code, Section 1956(a)(1)(B)(i) makes it a federal offense for anyone, knowing that property involved in a financial transaction represents the proceeds of some form of unlawful activity, to conduct or attempt to conduct such a financial transaction, which in fact involves the proceeds of specified unlawful activity, knowing that the transaction is designed in whole or in part to conceal or disguise the nature, the location, the source, the ownership, or the control of the proceeds of specified unlawful activity.

12. Title 18, United States Code, Section 1957 makes it unlawful for any person to knowingly engage or attempt to engage in a monetary transaction in

criminally derived property of a value greater than \$10,000 if the property is in fact derived from specified unlawful activity.

Statutory Basis for Civil Forfeiture

13. Title 18, United States Code, Section 981(a)(1)(A) provides for civil forfeiture of any property, real or personal, involved in a transaction or attempted transaction in violation of 18 U.S.C. §§ 1956, 1957 or 1960, or any property traceable to such property.

14. Title 18, United States Code, Section 981(a)(1)(C) provides for civil forfeiture to the United States of, “[a]ny property, real or personal, which constitutes or is derived from proceeds traceable to a violation of . . . any offense constituting “specified unlawful activity” (as defined in section 1956(c)(7) of this title), or a conspiracy to commit such offense.”

15. Title 18, United States Code, Section 1956(c)(7) defines “specified unlawful activity” to include any act or activity constituting an offense listed in Title 18, United States Code, Section 1961(1) and other specified offenses. Title 18, United States Code, Sections 1341, 1343, 1956, and 1957 are specified unlawful activities under Title 18, United States Code, Sections 1956(c)(7) and/or 1961(1)(B).

Background of Related Criminal Investigation

16. Special Agents of the FBI, the U.S. Department of Labor (“DOL”) and the Internal Revenue Service – Criminal Investigation division (“IRS-CI”) participated in an investigation into union corruption, commercial bribery, embezzlement, money laundering, and related criminal offenses.

Relevant Organizations and Individuals

17. Fiat Chrysler Automobiles US LLC was an automotive company based in Auburn Hills, Michigan, and the successor to the automotive company formerly known as Chrysler Group LLC. Both are referred to here as “FCA.” FCA manufactured and sold automobiles in the United States under brands such as Chrysler, Jeep, Dodge, and Ram.

18. Alphons Iacobelli (“Iacobelli”) was the FCA Vice President for Employee Relations from 2008 until 2015. As the FCA Vice President for Employee Relations, Iacobelli was FCA’s lead representative for labor relations and had lead responsibility for managing FCA’s relationship with the UAW. Iacobelli was the senior FCA official responsible for negotiating with the UAW and for administering the collective bargaining agreements between FCA and the UAW.

19. Jerome Durden (“Durden”) was an FCA Financial Analyst and a member of the FCA Corporate Accounting Department.

20. The International Union, United Automobile, Aerospace, and Agricultural Implement Workers of America (“UAW”) was a labor organization based in Detroit, Michigan. The UAW represented tens of thousands of non-managerial employees employed by FCA at numerous locations in Michigan and across the United States.

21. From 2008 through 2014, UAW Vice President General Holiefield (“Holiefield”) was the senior UAW officer responsible for negotiating with FCA and for administering the collective bargaining agreements between the UAW and FCA on behalf of tens of thousands of FCA employees represented by the UAW. Holiefield was the senior UAW official responsible for resolving disputes and grievances that arose under the collective bargaining agreements between the UAW and FCA. Monica Morgan was the girlfriend and, later, the spouse of UAW Vice President Holiefield.

22. The UAW-Chrysler Skill Development & Training Program d/b/a the UAW-Chrysler National Training Center (“NTC”) was a tax-exempt corporation based in Detroit, Michigan. The NTC purported to function as a labor management committee under the Labor Management Relations Act, 29 U.S.C. § 186(c)(9). The stated purpose of the NTC was to provide for the education, training, and retraining of workers.

23. The governing body of the NTC was known as the Joint Activities Board. The Vice President of Employee Relations of FCA and the Vice President for the Chrysler Department of the UAW served as the Chairmen of the NTC Joint Activities Board. The remainder of the Joint Activities Board was made up of senior officials from FCA and the UAW. Iacobelli and Holiefield were the Co-Chairmen of the NTC Joint Activities Board from in or before 2008 through 2014. Jerome Durden served as the controller of the NTC from in or about 2008 through 2015.

Collective Bargaining Agreements between FCA and the UAW

24. Approximately every four years FCA and the UAW engaged in national negotiations resulting in collective bargaining agreements that set wages, attendance policies, profit sharing, ratification bonuses, holidays, and other working conditions for FCA employees represented by the UAW.

25. In 2011 and 2015, FCA and the UAW held national negotiation sessions that resulted in ratified collective bargaining agreements covering tens of thousands of FCA employees represented by the UAW.

The Labor Management Relations Act

26. The Labor Management Relations Act, commonly known as the Taft Hartley Act, prohibits employers and persons acting in the interest of employers from paying, lending, or delivering, or agreeing to pay, lend, or deliver, any money

or other thing of value to any officer or employee of a labor organization representing its employees.

27. The Labor Management Relations Act also prohibits any officer or employee of a labor organization representing the employees of an employer from receiving, accepting, or agreeing to receive or accept, any money or other thing of value from that employer or from any person acting in the interest of that employer.

28. One of the purposes of the Labor Management Relations Act was to combat the corruption of the collective bargaining process that occurs when a union employer gives something of value to a union representative.

Criminal Investigation

29. The investigation revealed that over several years, FCA Vice President Iacobelli, FCA Financial Analyst Jerome Durden, and other co-conspirators, unlawfully paid and delivered, money and things of value to officers and employees of the UAW, including UAW Vice President Holiefield.

30. FCA Vice President Iacobelli, FCA Financial Analyst Durden, and their co-conspirators used NTC bank accounts and NTC credit card accounts to benefit officers and employees of the UAW, knowing that those individuals were not permitted to receive the money and other things of value. Over the course of the conspiracy, Iacobelli, Durden, and others unlawfully paid and delivered more

than \$1.5 million in prohibited payments and things of value directly and indirectly to UAW Vice President General Holiefield and other senior UAW officials. The prohibited payments and things of value included personal travel, designer clothing, furniture, jewelry, custom made items, and paying off the mortgage on the personal residence of Holiefield and Monica Morgan.

31. Iacobelli, Durden, and others were charged in Eastern District of Michigan, criminal case number 17-20406. On or about August 8, 2017, Durden pled guilty to Conspiracy to Defraud the United States and Failure to File a Tax Return. On or about January 23, 2018, Iacobelli pled guilty to Conspiracy to Violate the Labor Management Relations Act and Subscribing a False Tax Return.

Embezzlement of NTC Funds by Alphons Iacobelli

32. The Defendant Property constitutes property derived from the embezzlement of NTC funds and constitutes proceeds of Wire Fraud and/or Mail Fraud and/or property involved in money laundering. Evidence supporting this determination includes, but is not limited to, the following:

a. In addition to payments to Holiefield and other UAW officials, Iacobelli also utilized NTC funds for personal enrichment. Beginning in September 2012, Iacobelli embezzled over \$1,300,000 of NTC funds for his own personal use. These included the purchase of an exotic sports car and the use of credit cards for hundreds of thousands of dollars in personal expenses, all paid from NTC funds.

As is set forth in greater detail below, Iacobelli also utilized NTC money to pay for two Mont Blanc pens, including the Defendant Property, valued at approximately \$35,700 each.

b. NTC submitted a proof of loss to Traveler's Insurance Company dated October 21, 2016. The sworn proof of loss presented a claim by the NTC for \$1.8 million based on alleged employee dishonesty and theft. Included in the \$1.8 million loss amount was the claim that, between 2010 and 2015, Iacobelli had caused the NTC to pay \$1,055,881 for personal credit card expenses for himself and his family. The NTC proof of loss further stated that Durden "was aware of and participated in the thefts" involving credit card payments.

c. Durden provided agents with information on Iacobelli's misuse and embezzlement of hundreds of thousands of dollars in NTC funds. Durden confirmed that, over a period of several years, he received numerous partial copies of credit card statements from Iacobelli on which Iacobelli's home address was removed or redacted. At Iacobelli's direction, Durden issued numerous NTC checks to pay for those credit card charges. Information developed in this investigation confirms that the NTC regularly made the subject payments to credit card companies by U.S. mail and/or by private express mail.

d. On April 17, 2015, NTC bank records revealed NTC check number 00155602, dated May 14, 2014, payable to First Independence Bank, in the amount

of two hundred thousand and four dollars (\$200,004.00). The reverse side of the check showed that this check was used to purchase cashier's check, number 35918. Cashier's check number 35918, dated May 14, 2014 was made payable to Naples Motorsports (NMS), in the amount of \$200,000. First Independence Bank receipt identified that a service fee of four dollars (\$4.00) was charged to purchase the cashier's check. Further investigation revealed that Iacobelli purchased a red 2013 Ferrari 458 Spider convertible from NMS for three hundred thirty nine thousand, nine hundred and ninety five dollars (\$339,995.00).

Mont Blanc Pens

e. Bank records obtained in this investigation show that in September 2012, the NTC issued a check, number 150301, to a company known as Mont Blanc in the amount of \$35,000.

f. Subsequently, in February 2013, a second check, number 151545, in the amount of \$40,684 was issued by the NTC payable to Mont Blanc.

g. The two NTC checks to Mont Blanc were each deposited into a Bank of America bank account. Based on training and experience, agents are informed and believe that Bank of America checks deposited in Michigan are processed in Chicago, IL.

h. Records obtained from Mont Blanc's parent company, Richemont, revealed that the two checks from the NTC were used to purchase two limited edition pens commemorating Abraham Lincoln and costing \$35,700 each.

i. As part of the investigation, FBI also reviewed two receipts from the Mont Blanc store in Troy, Michigan. The first receipt, for \$35,000, was issued on September 11, 2012 at 8:05 p.m. The second receipt, for \$40,684, was issued on February 14, 2013 at 3:27 p.m. Agents are informed and believe that the first check was a deposit for the two pens and that the second check paid the remaining balance for the pens when they were picked up from the Troy store.

j. Agents are aware that Mont Blanc is a high-end manufacturing/retail chain specializing in writing instruments, leather goods, and watches, etc. A January 31, 2013 article on the website <http://wwd.com/fashion-news/fashion-scoops/presidential-pen-pal-6679141/>, entitled: "MONTBLANC PAYS HOMAGE TO LINCOLN" reported "Coinciding with the French release of the film 'Lincoln' and marking President's Day, Montblanc will launch a limited-edition pen on Feb. 18 that pays homage to the U.S.' 16th president. The writing instrument features the 36 state names that formed the confederation at the time of Abraham Lincoln's assassination, plus his birth and death dates and signature. The pen's clip shows Lincoln's portrait in gold and has a sapphire. On the nib is engraved 'America's Signature for Freedom.' Fifty pens (to echo the number of states in the U.S.) are to

be available in Montblanc stores for 27,850 euros, or \$37,805 at current exchange, each.”

k. Based on their investigation of this matter, agents are informed and believe that all Mont Blanc pens are made in Hamburg, Germany. The Government is informed and believes that the pens reserved by Iacobelli in September 2012 were manufactured in Germany and shipped to the Mont Blanc store in Troy, Michigan for Iacobelli in February 2013.

l. The Richemont records showed that both pens were purchased by Iacobelli who provided his address to Mont Blanc. According to the Richemont documents, each pen was accompanied by a handmade, leather bound book about the President who the pen commemorates, and was packed in a special box. Mont Blanc recorded the owners of the pens purchased by Iacobelli with NTC funds as having the last names of Iacobelli and Graham.

m. On October 24, 2016, [REDACTED] was interviewed by agents. [REDACTED] was a former co-worker [REDACTED] of Iacobelli. During the interview, [REDACTED] informed agents that Iacobelli bragged [REDACTED] about a Mont Blanc pen that he carried in his shirt pocket costing \$25,000. Iacobelli also informed [REDACTED] that the pen was a gift from his neighbor who was a podiatrist. Open source records reviewed by agents reveal that Iacobelli lived two houses from a podiatrist named Michael Graham.

n. On July 31, 2017, agents contacted Michael Graham who stated that he was in possession of the Lincoln commemorative Mont Blanc pen. Graham added that he ordered the pen, but that Iacobelli paid for both Graham's and Iacobelli's pens.

CLAIM FOR RELIEF

33. Plaintiff re-alleges and incorporates by reference each and every allegation contained in Paragraphs 1 through 32 and the subparagraphs therein.

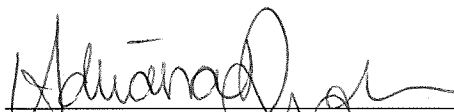
34. The Defendant Property is forfeitable to the United States of America pursuant to Title 18, United States Code, Sections 981(a)(1)(A), (a)(1)(C) as proceeds traceable to violations of Title 18, United States Code, Sections 1341 and/or 1343 and/or as proceeds or property involved in Money Laundering, in violation of Title 18, United States Code, Sections 1956 and/or 1957.

CONCLUSION AND RELIEF

Plaintiff respectfully requests that the Court issue a warrant for the arrest of the Defendant *in rem*; that due notice be given to all interested parties to appear and show cause why forfeiture should not be decreed; that judgment be entered declaring the Defendant *in rem* to be condemned and forfeited to the United States for disposition according to law; and that the United States be granted such other and further relief as this Court may deem just and proper together with costs and disbursements of this action.

Respectfully submitted,

MATTHEW SCHNEIDER
United States Attorney

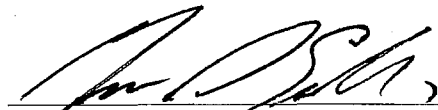
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Dated: September 13, 2018

VERIFICATION

I, Marc Silski, am a Special Agent of the Federal Bureau of Investigation ("FBI"). I have read the foregoing Complaint for Forfeiture, and declare under penalty of perjury of the laws of the United States of America that the facts contained therein are true to the best of my knowledge and belief, based upon knowledge possessed by me and/or on information received from other law enforcement agents.

A handwritten signature in black ink, appearing to read 'Marc Silski', is written over a horizontal line.

Special Agent Marc Silski
Federal Bureau of Investigation

Dated: September 6, 2018